FACTS ON FILE

WORLD NEWS DIGEST WITH INDEX

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WORLD AFFAIRS

USSR Resumes A-Tests

Moratorium Ended. The Soviet Union announced Aug. 31 that it had decided to resume the testing of nuclear weapons. It asserted in a statement made public by Tass that it had been forced to end the voluntary moratorium on atomic tests because of war threats from the U.S. and its allies.

The Soviet announcement said the USSR had designed "super-powerful nuclear bombs" with a yield equivalent to up to 100 million tons of TNT. It asserted that "powerful rockets similar to those" used in Soviet manned orbital flights could deliver such bombs "to any point on the globe."

The cancellation of the pledge not to conduct atomic tests was followed by the detonation in quick succession of 4 Soviet nuclear devices Sept. 1, Sept. 4, Sept. 5 and Sept. 6. According to the U.S. Atomic Energy Commission, the explosions took place in the atmosphere. The force of each blast was classified by the AEC as in the low to intermediate range—with the yield of the largest probably equivalent to 500,000 tons of TNT.

The Aug. 31 Soviet announcement, received in the U.S. late Aug. 30 because of the U.S.-USSR time difference, prompted the issuance Aug. 30 of a White House statement denouncing the Communist move (a) as presenting "a hazard to every human being . . . by increasing the dangers of nuclear fallout" and (b) as "in utter disregard of the desire of mankind for a decrease in the arms race."

The Soviet action provoked criticism from other Western leaders and from most neutralist countries.

Pres. Kennedy and British Prime Min. Macmillan proposed jointly to Soviet Premier Khrushchev Sept. 3 that their 3 nations agree immediately not to conduct fallout-producing tests in the atmosphere.

Mr. Kennedy Sept. 5 ordered the resumption of U.S. nuclear tests "in the laboratory and underground, with no fallout." "We have no other choice," he said. [See pp. 302C-F2, 295B1, D-E2, A3, 286F3-287B2]

Soviet Announcement. The Tass statement Aug. 31 said the USSR had been "compelled" to resume nuclear tests, "reluctantly and with regret," for "the sole aim" of preventing a 3d world war.

"In order to discourage the aggressor from criminal playing with fire," the statement asserted, "it is necessary to make sure that he knows . . . there is a power . . . ready to give an armed rebuff to any encroachment on the independence and security of peaceloving states and that the weapon of retribution will reach the aggressor in his own den."

The Tass announcement called it "an open secret" that the U.S. "is standing at the threshold of carrying out underground nuclear explosions and only waits for the first suitable pretext to start them. . . . Since the U.S. government has the intention to resume nuclear weapons tests, it is only a matter of time."

The Soviet statement said the USSR "has already taken a number of serious measures for strengthening" its security in the face of (a) "the ever increasing aggressiveness" of NATO policy, (b) the military build-up of the U.S. and its allies and (c) the alleged fact that "the leading statesmen of the United States and its allies are resorting to threats . . . to unleash war as a countermeasure" to a peace treaty with East Germany.

The statement said: "Those who are preparing a new world holocaust are sowing illusions that a new world war . . . would allegedly be waged without thermonuclear weapons. But this is a deceit of the peoples. . . . Any armed conflict . . . would inevitably grow into a universal rocket and nuclear war should the nuclear powers have been drawn into it."

"The harmful consequences of thermonuclear weapons tests for living organisms are well known in the Soviet Union," and "every measure is being taken [in the new Soviet tests] to minimize these effects," the announcement asserted.

The statement denied that the USSR would try to develop a neutron bomb. "Such a bomb would kill every living thing, but at the same time would not destroy material things," the announcement said. "Only aggressors dreaming of plunder" could want such weapons, it declared. [See p. 287B-C2]

U.S. Assails Red Move. The White House statement Aug. 30 predicted that the Soviet action "will be met with deepest concern and resentment throughout the world." It said that "the Soviet government's decision to resume nuclear testing presents a threat to the entire world by increasing the dangers of a thermonuclear holocaust . . . [and] indicates the complete hypocrisy of its professions about general and complete disarmament."

The U.S. statement said that "the pretext offered by the [USSR] announcement for Soviet resumption of weapons testing is the very crisis which they themselves have created by threatening to disturb the peace which has existed in Germany and Berlin." It asserted that "the purpose and motivation" of the Soviet behavior in Geneva (during negotiations on a nuclear test ban) "now seems apparent: the Soviet government wished to abandon serious negotiations in order to free its hand to resume nuclear weapons testing." It announced that U.S. Amb. Arthur Dean was being recalled immediately from the Geneva talks.

Indicating that the U.S. no longer considered itself bound by the A-test moratorium, the White House statement said that the "unilateral" Soviet decision left the U.S. "under the necessity of deciding what its own national interests require."

Pres. Kennedy conferred Aug. 31 with National Security Council members and Congressional leaders of both parties. A White House statement issued later Aug. 31 said: "The Soviet announcement was primarily a form of atomic blackmail, designed to substitute terror for reason in the present international scene. What the Soviet Union is obviously testing is not only nuclear devices but the will and determination of the free world to resist such tactics and to defend freedom. The President is entirely confident that . . . [the U.S.] nuclear weapons stockpile and the capabilities of individual weapons and delivery systems are wholly adequate" for U.S. and free-world defense.

Anglo-U.S. Proposal. Pres. Kennedy and Prime Min. Macmillan proposed in a joint message to Premier Khrushchev Sept. 3 "that their 3 governments agree, effective immediately, not to conduct nuclear tests which take place in the atmosphere and produce radioactive fallout."

The note, delivered to the Soviet embassies in Washington and London, urged Khrushchev "to cable his immediate acceptance of this offer and his cessation of further atmospheric tests." It proposed that the 3 nations' "representatives at Geneva meet not later than Sept. 9 to record this agreement" and report it to the U.N. The offer "remains open for the period indicated," the note said.

Week in Headlines

USSR ended A-test moratorium, detonated 4 A-devices in atmosphere; U.S. and Britain proposed ban on atmospheric A-tests.

U.S. announced plans to resume non-fallout A-tests.

U.S. foreign aid bill enacted.

78 died in Illinois air crash.

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The note declared that the U.S. and Britain "are prepared to rely upon existing means of detection, which they believe to be adequate," for atmospheric tests. It added that they "reaffirm their serious desire to conclude a nuclear test ban treaty, applicable to other forms of testing as well. . . ."

Asst. White House Press Secy. Andrew T. Hatcher disclosed Sept. 3, at Pres. Kennedy's Hyannis Port, Mass. vacation headquarters, that "other allies" had been consulted by the U.S. and Britain in the drafting of the message to Khrushchev. (It was reported that France was the principal "other" ally consulted.) Hatcher denied that the note was an ultimatum.

Soviet Tests Start. The opening of the Soviet atomic tests was disclosed by the White House Sept. 1 with the release of a 35-word announcement that said: "The Soviet Union today has conducted a nuclear test in the general area of Semipalatinsk in Central Asia [in Siberia, about 350 miles south of Novosibirsk]. The device tested had a substantial yield in the intermediate range. It was detonated in the atmosphere." Asst. White House Press Secy. Hatcher said the test had been detected "early this morning, Western time," by means of "long-range detecting equipment."

The 2d Soviet test after the ending of the moratorium took place Sept. 4 and was announced the same day by the U.S. Atomic Energy Commission, which said the device was detonated in the atmosphere "in the Semipalatinsk area." The AEC said its yield was in the "low kiloton range"—probably the equivalent of 20 kilotons (20,000 tons) of TNT.

The 3d Soviet test, conducted Sept. 5 and announced by the U.S. AEC the same day, also took place in the atmosphere in the Semipalatinsk area. The AEC said its yield was in the "low to intermediate range."

The 4th Soviet test, a low-to-intermediate-range blast in the atmosphere, took place Sept. 6 and was announced the same day by the U.S. AEC. The AEC said the site was a new one—"east of Stalingrad," in southeast European Russia.

As of Sept. 6, the USSR had not informed the world or its own citizens that the tests had started.

Japanese meteorological officials reported Sept. 4 that winds from Siberia had caused a slight increase in the radioactivity of water in Sept. 3 rains. U.S. Health-Education-Welfare Secy. Abraham A. Ribicoff reported Sept. 6 that air samples collected in Anchorage, Alaska Sept. 5 had radiation levels of 7 micromicrocuries per cubic meter or 35 times the daily average for August. Neither the Japanese nor the Alaskan levels were considered dangerous. Ribicoff had reported Sept. 5 that radiation levels in U.S. milk, food, water and air had dropped "dramatically—in some instances below measurable levels"—during the 3-year test moratorium.

U.S. to Resume Tests. Pres. Kennedy announced Sept. 5, after the 3d Soviet test, that "in view of the continued [Soviet] testing . . . I have today ordered the resumption of nuclear tests in the laboratory and underground, with no fallout."

The President's statement said: "In our efforts to achieve an end to nuclear testing, we have taken every step that reasonable men could justify. In view of the acts of the Soviet government, we must now take those steps which prudent men find essential. We have no other choice in fulfillment of the [U.S. government's] responsibilities . . . to its own citizens and to the security of other free nations. Our offer to make an agreement to end all fallout tests remains open until Sept. 9."

Neutralists Urge Summit. The Soviet decision to resume atomic tests was received with expressions ranging from severe criticism to broad-minded understanding at a conference of 25 "non-aligned" nations held in Belgrade, Yugoslavia Sept. 1-5.

The conferees compromised Sept. 5 on an appeal to Mr. Kennedy and Khrushchev to make "immediate and direct approaches to each other to avert the danger of war." Their declaration said the U.S. and USSR "should immediately suspend their war preparations, take no steps which might aggravate the situation, and take steps toward negotiations until they, with the rest of the world, achieve total disarmament and world peace."

The conferees chose Indian Premier Jawaharlal Nehru and Ghanaian Pres. Kwame Nkrumah Sept. 5 to present the appeal to Khrushchev. Presidents Sukarno of Indonesia and Modibo Keita of Mali were delegated to deliver the appeal to Pres. Kennedy.

Nehru and Nkrumah flew separately to Moscow Sept. 6 and jointly delivered the conference's letter to Khrushchev the same day.

At the conference, the sharpest criticism of the Soviet decision was voiced by Nehru, who had said on arriving in Belgrade Aug. 31 that "I am against nuclear testing any time, anywhere." Nehru, addressing the conferees Sept. 2, said that "the danger of war has been enhanced" by the Soviet decision. "This decision makes the [troubled world] situation much more dangerous," he declared. "It may lead other countries to start tests. Aside from the nuclear fallout, all this brings you much closer to the verge of war."

Yugoslav Pres. Tito, who had proposed the conference, treated the Soviet decision tolerantly. He told the conferees Sept. 3 that "we were not surprised so much by the [Soviet] communiqué on the resumption of atomic and hydrogen weapons tests, because we could understand the [USSR's] reasons. . . . We were surprised more by the fact that this was done on the opening of this conference of peace."

Among other conference comment on the issue: UAR Pres. Gamal Abdel Nasser Sept. 1.—The Soviet "decision shocked me just as it shocked world public opinion." Ghanaian Pres. Nkrumah Sept. 2—"It is a shock" that "shows what a big danger humanity is facing." Yugoslav Foreign Min. Koca Popovic Sept. 2—"We regret very much that fruitless negotiations in Geneva . . . as well as [U.S.-Soviet] deterioration . . . had as a consequence the Russian decision to resume nuclear tests." Burmese Premier U Nu Sept. 2—"The cold war has taken a sharp turn for the worse. Today the situation is closer to war than to coexistence." Amb. Demba Diallo of Mali Sept. 2—"The Russian decision is a severe threat to world peace." Somalia Education Min. Hagi Ibrahim Sept. 2—"The Russian decision constituted another example of negative will by the world's leading powers to discuss effectively the road to peace." Archbishop Makarios of Cyprus Sept. 3—"We were shocked" by the Soviet decision and were concerned by France's "carrying on of nuclear tests . . . in Africa against world opinion and in disregard of the protests of the people of that continent."

Red China Backs USSR. The Chinese Communist government Aug. 31 issued a statement supporting the Soviet decision to test nuclear weapons "in the interest of the defense of world peace." It called the decision a "cooling dose for hotheaded war plotters but a powerful inspiration to all peoples striving for world peace."

Western Views. The Earl of Home, British foreign secretary, asserted in an Aug. 31 statement that the Soviet decision "contemptuously ignores the desires of ordinary people everywhere . . . to see an end of nuclear tests." He said that "the cynicism of this [Soviet] behavior" showed that the Russians were only "stalling" at the Geneva talks.

A French statement through the Agence France-Presse Aug. 31 called the Soviet decision "a deliberate menace designed to bring the free world around to its way of thinking."

West German Chancellor Konrad Adenauer said in Goettingen Aug. 31 that the Soviet announcement proved West Germany's need for atomic weapons. He charged in Bonn Sept. 2 that Khrushchev had "purposely enlarged the Berlin crisis into a world crisis" by resuming A-tests. Adenauer warned that in a nuclear war "the Soviet Union would also be turned into a huge heap of debris." [See p. 295C1]

Dr. Linus Pauling, Nobel Prize-winning biochemist and opponent of A-tests, cabled Khrushchev Sept. 2 an appeal to "cancel the new . . . tests and announced expansion of the Soviet nuclear arsenal." He sent the appeal "as spokesman for 11,000 scientists of 50 countries, including 216 leading Soviet scientists who signed the bomb test petition 4 years ago, and for the whole human race and unborn children who will be damaged by radioactive fallout." [See Vol. XX, p. 459E-G1]

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Norman Cousins, co-chairman of the National Committee for a Sane Nuclear Policy, urged in New York Aug. 31 that "mammoth protests" against the Soviet decision be organized around the world. He proposed that "before any [U.S.] decision is made . . . concerning resumption of tests, the United States should bring this issue before the United Nations—not just for the purpose of general condemnation of the Soviet Union's action but for the purpose of persuading the UN itself to make a massive attempt . . . to compel the Soviet Union to call off its tests."

About 5,000 persons marched in London in a protest organized by the Campaign for Nuclear Disarmanent against the Soviet decision. A 6-member delegation of the Anti-Nuclear Committee of 100 called on Soviet Amb.-to-Britain A. A. Soldatov Sept. 2 to protest the Soviet test decision and was told by Soldatov, "Don't worry, boys, you'll live to a ripe old age."

The U.S. Communist Party charged Aug. 31 that "ultra-reactionary war forces in our country" had forced the USSR to resume A-tests. Soviet-bloc countries "are directly threatened by aggression" by the U.S., NATO and West Germany, the CP said.

Japanese Protest. Japanese Amb.-to-USSR Hisanori Yamada delivered to Soviet Deputy Foreign Min. Vasily V. Kuznetsov a Japanese government protest asserting that the Soviet A-test decision "mercilessly tramples on the prayerful hopes for peace of all peoples who fear war and love peace." He warned that the decision "may have the effect of compelling other nuclear powers to resume testing and in turn lead mankind into the path of destruction." The note said Japan "can only view the Soviet decision as being an attempt to attain political objectives by creating fear."

Algeria

Ben Khedda Replaces Abbas. The relatively "moderate" Algerian rebel Provisional Government of Ferhat Abbas, 62, was ousted Aug. 27 and replaced by one headed by Benyoussef Ben Khedda, 41. The announcement came at the end of a 3-week secret meeting in Tripoli, Libya, of the policy-making rebel National Council.

The N.Y. Times reported Aug. 28 that the change heralded a step-up in guerrilla warfare against France and a "less supple" line in negotiations. It said that the rebels had abandoned Abbas' "bourgeois" nationalism. The N.Y. Herald Tribune reported Aug. 28 that Abbas was dropped because his peace-talk policy with France over the oil-rich Sahara's future had failed. [See p. 288B-G2]

Among changes in the rebel cabinet: Foreign Min. Belkacem Krim became interior minister but remained deputy premier; Finance Min. Ahmed Francis and Social & Cultural Affairs Min. Abdel Hamid Mehri were dropped.

The Aug. 27 Algerian rebel cabinet (former posts in parentheses): Premier & Finance—Benyoussef Ben Khedda; Vice Premier & Interior—Belkacem Krim (Foreign); Vice Premiers—Mohammed Ben Bella* and Mohammed Boudiaf* (state minister); Foreign—Saad Dahlab (Foreign Ministry secretary general); Information—M'Hammed Yazib; Arms & Liaison—Abdel Hafid Boussouf; State Ministers—Lakhdar Ben Tobbal, Said Mohammedi, Hocine Ait Ahmed,* Mohammed Khider* & Rabah Bittat.* (The Social & Cultural Affairs portfolio was eliminated.)

Facts on Khedda. Born 1920 in Blida, Algeria. Studied pharmacy at University of Algiers and practiced in his home town. Arrested at 23 for "nationalist activity," imprisioned for 8 months. Became secretary general of radical Movement for Triumph of Democratic Liberties. Re-arrested at outbreak of Algerian rebellion Nov. 1954, released in early 1955. Became a leading figure in rebel underground. Helped organize central committee of 1956 secret rebel Congress of Soummam, which defined rebel government structure and policies. As social affairs minister, led first Algerian mission to Red China in 1959. Married to Algerian nurse. One son (one year old). A non-smoking, non-drinking devout Moslem. Wears European clothes. Regarded as left-wing extremist; not a Communist but known as a member of the NLF "Chinese Wing."

(French Pres. Charles de Gaulle told his cabinet in Paris Aug. 30 that the change in rebel leadership would not deter his plans for speedy independence for Algeria.)

Khedda Vows to Fight. Khedda, making his first public speech since taking office, said at the conference of non-aligned nations in Belgrade Sept. 4 that the Algerian rebels would continue the fight for independence. He said that he was ready to negotiate with France and desired friendship with "the French people" but that the rebels would never give up their claim to the Sahara. Khedda accused France of attempting to split the Sahara from the rest of Algeria to exploit resources that, he implied, should be shared with all African peoples. He also scored NATO nations' participation in "colonial wars in Algeria [and] Angola. . . ."

Rebels Aided by Reds. The rebel National Council, closing its Tunis conference Aug. 28, stressed "the importance of the material, political and diplomatic support" it had received from "Socialist countries of Africa, Asia and Latin America." (A rebel spokesman in Tunis Aug. 31 "clarified" the communiqué by acknowledging support from the Soviet bloc and Yugoslavia.)

(Delegates to a 10-nation Arab League conference in Baghdad, Iraq had agreed Feb. 1 to increase the supply of arms and volunteers to the Algerian rebels. No action was taken on Algerian requests that delegate nations boycott French trade or nationalize French property in their territory. The participants: Iraq, Jordan, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Tunisia, United Arab Republic and Yemen.)

(Pakistan Aug. 3 officially recognized the Algerian rebel government.)

(The French Interior Minister seized the Aug. 17 issue of the left-wing weekly "France Observateur," presumably for publishing an interview with an Algerian rebel leader, the London Times reported Aug. 18. The weekly's editors protested that the French government had permitted interviews with rebels since the Evian talks in May.

French Division Withdrawn. France withdrew the 7th Light Armored Division from service in Algeria and assigned it to a new base in Alsace, near the German frontier (announced Sept. 3). This was the second major troop withdrawal from Algeria in 1961. [See p. 288A-C3]

*Captured by the French in 1956 & still detained.

Terrorists Arrested. The French Interior Ministry Sept. 2 announced the arrest of 20 key members of an anti-government, extreme rightwing group said to be responsible for nearly all the 1,000 plastic bomb explosions in France and Algeria in 1961.

The Sûreté chief, Jean Verdier, said Sept. 2 that the arrested men were connected with a "Provisional Government of French Algeria" headed in Majorca by former Algiers bar owner Joseph Ortiz. Ortiz was condemned to death in absentia for his part in the Jan. 1960 Algiers uprising. Documents seized by the police indicated that army officers and enlisted men connected with the generals' uprising of April, former followers of Pierre Poujade and hardcore opponents of an Algerian settlement that might displace European interests were involved in the movement.

Police said they had established links between the terrorist group and the bomb murder of Mayor Camille Blanc of Evian-les-Bains. [See pp. 162F3, 145B-D1]

Violence. 2 Moslems were beaten to death by Europeans in Bône, Algeria Aug. 27 after rebels had thrown grenades onto a crowded beach. Another Moslem was shot by police while fleeing. Several Moslems were injured in Oran Aug. 30 following clashes between crowds of Algerians and Europeans. French troops cleared the crowds with tear gas. The French Army reported Sept. 5 that 80 Algerian rebels had been killed or captured in fighting throughout Algeria.

European "ultras" detonated 130 pounds of plastic explosive on an Algiers dock and destroyed army equipment Sept. 5 after Pres. de Gaulle's offer of Algerian sovereignty over the Sahara. Another explosion occurred in Oran soon afterwards, and Oran-Algiers communications were cut. Rightwing extremists in Paris made plastic bomb attacks on the homes of Pastor Marc Boegner, French Protestant Federation president, Aug. 30 and of Grand Rabbi Jacob Kaplan of France Aug. 31. There were no injuries. Rightwingers exploded bombs Sept. 1 at the home of Hubert Beuve-Mery, director of the newspaper "Le Monde," which supported de Gaulle's Algerian policies. [See p. 289A-B1]

Soustelle in Exile. The N.Y. Times reported Aug. 24 that Jacques Soustelle, former de Gaulle cabinet member, had chosen voluntary exile in an undisclosed foreign country rather than face the threat of arrest. In an interview with the French rightwing weekly "Carrefour," Soustelle, an early adherent of de Gaulle's Free French movement in World War II, attacked de Gaulle's Algerian policy. He said de Gaulle had "whittled away" the foundations of French Algeria and was going to turn the country over to "the fanatical dictatorship of the cut-throats [the Algerian rebels]." [See p. 3G1, D-E2]

Navy Rebel Sentenced. French Navy Lt. Cmndr. Pierre Guillaume received a 4-year suspended sentence from a Paris military tribunal Aug. 17 for

his part in the Algiers generals' uprising in April. As naval aide to Gen. Maurice Challe, insurrectionist leader, he had attempted to oust the Algerian naval commander, keep Algeria-stationed warships in port and occupy the Mers-el-Kebir naval base. [See p. 289B-C1]

France to Expel Moslems. The French police announced Sept. 4 that unemployed Algerian Moslems living in France (and Algerian Moslems unable to account for large sums of money in their possession) would be sent back to Algeria. The objective was to curb the activities of Algerian rebel "tax collectors" who levied "taxes" on nearly all the 400,000 Algerians living in France and who provided funds for the rebellion.

NATIONAL AFFAIRS

The President

Appointments. Pres. Kennedy Aug. 24 nominated Lincoln Gordon, 48, a Harvard graduate, Rhodes Scholar and professor of international economic relations at Harvard, to succeed John M. Cabot as ambassador to Brazil. (Cabot had said in July that Brazil was "committed" to the U.S. This statement reportedly had prompted then-Brazilian Pres. Jânio Quadros to remark that Brazil would tolerate no "meddling from anybody.") Gordon was a member of Pres. Kennedy's task force on Latin American problems and had accompanied Amb.-to-UN Adlai E. Stevenson on his recent South American goodwill trip. Gordon recently wrote a book on Brazil's economic development. [See p. 58E1]

A bill (S1815) creating a position as Assistant Labor Secretary to deal with the U.S. working women's problems was passed by the Senate July 27 and by the House Aug. 9. Pres. Kennedy signed the bill Aug. 11 and immediately nominated Mrs. Esther Peterson, 54, director of the Labor Department's Women's Bureau since January, for the new post. She was sworn in Aug. 17. [See p. 46B2]

The President announced Aug. 30 the appointment of Steuart L. Pittman, 42, Washington lawyer, to be an Assistant Defense Secretary and to head the new Office of Civil Defense. Frank B. Ellis remained director of the Office of Emergency Planning (formerly Office of Civil & Defense Mobilization). [See p. 290G3]

Judge James Benton Parsons, 50, of the Cook County (Chicago) Court, a Negro, was designated by the President Aug. 9 to be a U.S. judge for the Northern District of Illinois. He was the first Negro appointed to a U.S. district court in the continental U.S.

Mr. Kennedy Aug. 18 named Joseph C. Swidler, Democrat, recently confirmed a member of the Federal Power Commission, as FPC chairman, effective Sept. 1, to replace Jerome Kuykendall (R.), who was to remain an FPC member. [See p. 266F1]

Charles F. Darlington, 56, Harvard graduate and a Socony Mobil Oil Co. executive since 1946, was designated by Pres. Kennedy Aug. 22 to be ambassador to Gabon. [See p. 129D1]

Among other Presidential appointments: Aug. 2—Gerald A. Behn, 45, Secret Service agent since 1939, as head of the service's White House detail (responsible for the safety of the President and his family). Aug. 3—Frank A. Southard Jr., 54, reappointed U.S. representative to the International Monetary Fund. Aug. 11—Carlton Skinner to a 2-year term as U.S. commissioner on the South Pacific Commission to succeed retiring Gen. Henry Aurand; Bromley K. Smith as executive secretary of the National Security Council.

Among non-Presidential appointments: Aug. 23—Named as Peace Corps representatives in foreign countries: Lawrence Howard Fuchs of Brandeis University [Philippines]; Edwin R. Hellawell of Cleveland, O. [Tanganyika and east Africa]; Marshall R. Nason of the University of New Mexico [Chile, Argentina, Uruguay]; Christopher B. Sheldon of Connecticut [Colombia, Venezuela]; Walter C. Carrington of Cambridge, Mass. [west Africa]; George E. Carter of New York [Ghana]; J. Norman Parmer of Northern Illinois University [Malaya]. Sept. 4—Peter A. Dammann of Chicago as the SEC's general counsel. Sept. 5—Jerome J. O'Brien, former vice president of Humble Oil & Refining Co.'s Monterey Division, as director of the Interior Department's Office of Oil & Gas to succeed Capt. Matthew V. Carson Jr., who left the post Apr. 1. Maj. Gen. Alva R. Fitch, deputy assistant chief of Army intelligence, to succeed retiring Maj. Gen. John P. Williams as chief of Army intelligence.

Roads Funds. Pres. Kennedy Aug. 15 ordered the immediate distribution of more than $818 million of federal funds to the states to speed work on the interstate and other federal-aid roads systems. The funds were the allocation for fiscal 1962's 2d quarter and normally would not have been released until Oct. 1. The first quarter's allocation also had been released early on the President's order May 17.

Acting on another Presidential order, the Commerce Department Aug. 17 apportioned $3,093,750,000 to the states for the federal-aid roads systems for fiscal 1963. $2.4 billion of this was for the interstate system, the rest for the ABC program of aid for primary and secondary roads and extensions. [See p. 241D3]

Japanese Imports Curbed. Pres. Kennedy, in an annual report on the U.S.' reciprocal trade program, described Japan's import-control system Sept. 1 as "quite restrictive." The report said: Japan had made "relatively slow" progress toward liberalized trade policies; "the refusal of many countries to undertake full GATT [General Agreement on Tariffs & Trade] obligations toward Japan continued to be of serious concern." [See p. 232E1-E2]

Tariffs Continued. Pres. Kennedy Aug. 31 accepted a Tariff Commission recommendation to continue current tariffs on imported watch parts and flax, hemp and ramie toweling. [See p. 81D-E3]

Minimum Wage Rise Hailed. The new wage minimums of $1 an hour for newly covered workers and $1.15 an hour for previously covered workers were hailed by Pres. Kennedy in Hyannis Port, Mass. Sept. 3 as "one of the most important domestic accomplishments" of his Administration. The new minimums were effective midnight Sept. 2. [See p. 165D2]

Congress

Foreign Aid. The controversial Foreign Assistance Act of 1961 (S1983) was passed Aug. 31 by a 69-24 Senate vote (48 D. & 21 R. vs. 14 D. & 10 R.) and 260-132 House vote (182 D. & 78 R. vs. 78 R. & 54 D.) and was signed by Pres. Kennedy Sept. 4.

The act authorized a $4,253,500,000 program of foreign economic and military aid for fiscal 1962 and $1½ billion a year through fiscal 1963-66 for long-term, low-interest development loans. The total authorization was $509 million less than the $4,762,500,000 requested by the President. Congress had cut $185 million from the $1.885 billion requested for military aid, $200 million from the $500 million sought for the contingency fund and $116 million from the $581 million requested for supporting aid.

The act authorized the President to establish a new foreign-aid agency. Other provisions (a) banned aid to Cuba and authorized a total U.S.-Cuba trade embargo but did not deny aid to nations that assisted Cuba (the final version also did not include an original Senate provision denying U.S. aid to organizations of which Communist China was a member); (b) banned aid to any country unless the President determined it was not dominated by international communism; (c) banned loans for enterprises in competition with U.S. enterprises unless the recipient nation agreed to limit exports to the U.S. to 20% of the total annual production of the enterprise.

The act required annual Congressional appropriation for long-term development loans; this provision was a rejection of the Administration's demand for long-term borrowing authority. The President, however, was authorized to make loan commitments on the basis of the authorizations whenever he deemed it important to U.S. interests. If such commitments were made, the President was required to notify Congress. Senate Foreign Relations Committee Chrmn. J. W. Fulbright (D., Ark.) said Congress was under "strong obligation" to appropriate the funds for such loan commitments. The Senate-House conference's report said "the conferees regard the language in the bill as authority for the Executive to make commitments which will be honored by the Congress unless there is evidence of obvious bad management or the other country has failed to meet its responsibilities."

Pres. Kennedy Aug. 29 termed the compromise "wholly satisfactory." His agreement to the compromise had been revealed by State Secy. Dean Rusk in testimony before the Senate Appropriations Committee Aug. 21. Rusk had revealed then that, whether it was through Treasury borrowing or annual appropriations or a combination of both, "the authority to make long-term commitments is imperative."

(Treasury Secy. Douglas Dillon, at a joint news conference with Rusk Aug. 22, revealed that at the recent Alliance for Progress conference in

Uruguay, Cuba's Industry Min. Guevara had "predicted" that because of the U.S.' democratic form of government, U.S. pledges "could not be relied upon." He said Guevara had asserted that only the Cubans' "form of statism could produce progress." Dillon warned that the threat of Congressional cuts in long-loan authority "looked like a confirmation of what Ché Guevara said. . . .")

(N.Y. Gov. Nelson A. Rockefeller [R.], in a telegram Aug. 25 to House minority leader Charles A. Halleck [Ind.], said he was "unalterably opposed" to Treasury financing of long-term aid. He said he favored "long-term authorizations and annual cash appropriations." This method was also endorsed by ex-Vice Pres. Richard Nixon Aug. 29.)

Pres. Kennedy expressed hope at his news conference Aug. 30 that "the Appropriations Committees and the Congress will come as close as possible to the figures that the conference has set because any cut would diminish by that much our ability to do the job." His appeal was ignored by the House Appropriations Committee, which, on the recommendation of its Foreign Operations Subcommittee, headed by Rep. Otto E. Passman (D., La.), voted Sept. 1 to appropriate $896 million less than the total authorized for fiscal 1962.

Pres. Kennedy issued in Hyannis Port, Mass. Sept. 2 a statement reiterating that Congress should appropriate funds "of a magnitude as close as possible to the original request." The President, after signing the authorization bill Sept. 4, made still another appeal for appropriations of the full amounts authorized. He said: "Our adversaries are intensifying their efforts in the entire under-developed world"; "those who oppose their advance look to us, and, I believe, at this dangerous moment, we must respond."

The House, after a 9-hour debate Sept. 5, approved and sent to the Senate by a 270-123 vote (180 D. & 90 R. vs. 65 R. & 58 D.) a bill appropriating $3,657,500,000 in fiscal 1962 for foreign aid. The House restored $300 million of military aid funds that the Appropriations Committee had included in its $896 million cut. Thus, the military aid appropriation was only $100 million less than the authorized amount and $285 million less than the Administration request. The total appropriation was $596 million less than the authorization and $1.105 billion less than what Pres. Kennedy had sought as "a rock bottom figure."

The fund restoration, however, violated an agreement between the Appropriation Committee and the Democratic leader, Acting Speaker John W. McCormack (Mass.), that no more than $175 million of the committee's $400 million cut in military aid would be restored. McCormack voted for the $300 million restoration and was joined by bipartisan support led by minority leader Charles A. Halleck (Ind.). The final vote was 242-151 (172 D. & 70 R. vs. 82 R. & 69 D.). [See pp. 304G2-305C1]

Education Aid Loses. A last-ditch effort by the Administration to get a school aid bill enacted in the current session of Congress was defeated in the House Aug. 30. The effort was on a motion by Education Committee Chrmn. Adam Clayton Powell Jr. (D., N.Y.) for consideration of a compromise school-construction bill (HR-8890). It was beaten by a 242-170 vote (160 R. & 82 D. vs. 164 D. & 6 R.).

Pres. Kennedy, commenting on the vote at his news conference Aug. 30, said "the only one who loses . . . is not the Administration, but the school children who need this assistance." He pledged that "we will be back next year" trying to get school-aid programs enacted. Rep. Frank Thompson Jr. (D., N.J.), leader of the school-aid supporters in the House, commented that there was "very little use to try again until after the next Presidential election, because the forces against it are too great. . . ."

HR8890 would have provided: (a) a one-year, $325 million authorization for school construction; (b) a one-year, $90 million authorization to continue the National Defense Education Act (NDEA) student loan program and a one-year $201 million authorization to extend the NDEA's program of federal grants for schools in impacted areas. Its defeat represented a defeat for another bill (HR-8900) the Administration was backing with HR8890 as part of a school-aid package proposal. HR8900, reported by the Education & Labor Committee Aug. 29, would provide up to $1½ billion in federal grants and loans for construction of college classrooms, laboratories and libraries over a 5-year period.

Powell's rejected motion for consideration of the bill had been made under a rarely-used Calendar Wednesday parliamentary procedure whereby committee chairmen were allowed on Wednesdays to call to the floor bills that had been approved by their committees but had not been cleared by the Rules Committee. The House's public school aid bill (HR7300), which Powell's committee had reported June 1, had been held in the Rules Committee since June 20. The Rules Committee had voted then to withhold House floor action on it until the NDEA of 1961 was reported to it. The NDEA bill (HR7904) was tabled by the committee July 18, along with a public school construction and teachers' salary aid bill (HR7300) and a college classroom construction aid bill (HR7215).

(HR8890 and HR8900 were the Administration's compromise versions of the bills tabled July 18.)

The decisive Rules Committee vote June 20 had been achieved by a vote coalition of 2 Roman Catholic members, Reps. James J. Delaney (D., N.Y.) and Thomas P. O'Neill Jr. (D., Mass.); 2 southern Democrats, Chrmn. Howard W. Smith (Va.) and Rep. William M. Colmer (Miss.); and 5 Republicans.

The defeat of the Administration's school-aid proposals was attributed mainly to: (a) the public-vs.-private school aid controversy especially engendered by Roman Catholic insistence on parochial-school aid; (b) the opposition of conservative business organizations and individuals wary of federal control over public schools; (c) the insistence by organized teachers and the National Education Association on the need for teachers'-salary aid as well as for construction aid. [See p. 194C-G1]

Plane Hijacking Penalties. A bill (S2268) making airplane hijacking a federal offense punishable by imprisonment or death was passed by the House Aug. 23 and Senate Aug. 28 and was signed by Pres. Kennedy Sept. 5. The bill, which amended the Federal Aviation Act of 1958, also authorized federal penalties for other crimes committed in commercial aircraft. The Senate originally had passed S2268 Aug. 10, and the House had passed its version (HR8384) Aug. 21. Before final passage the language of HR8384 was substituted for that of S2268. [See p. 292D2-A3]

Civil Rights

Louisiana Law Upset. A court of 3 U.S. judges in New Orleans Aug. 30 overturned as unconstitutional a 1961 Louisiana law that permitted the closing—by popular vote—of public schools in school districts under federal court orders to desegregate. The ruling was made on a case brought by Negro residents of St. Helena Parish, whose citizens had voted under the new law to close its public schools.

The ruling, delivered by Court of Appeals Judge John Minor Wisdom and U.S. Judges J. Skelly Wright and Herbert W. Christenberry, said "this is not the moment in history for a state to experiment with ignorance." It held that the school-closing law was "a transparent artifice designed to deny the plaintiffs their declared constitutional right to attend desegregated public schools. . . . Its application in one parish, while the state provides public schools elsewhere, would unfairly discriminate against the residents of that parish, irrespective of race." Although the law contained no reference to race, the court said investigation of its "purpose as well as substance and effect" showed that "legislative leaders announced without equivocation that the purpose . . . was to keep the state in the business of providing public education on a segregated basis." On the question of the law's requirement for a popular referendum before school closure, the court said "no plebiscite can legalize an unjust discrimination."

Prior to their ruling, the 3 judges had taken the unusual step of asking the Justice Department and the attorneys general of all 50 states to file briefs, if they desired, by June 5, on the constitutionality of public-school closing laws. [See p. 157B2]

The invalidation of Louisiana laws that had attempted to give the state Legislature control of the New Orleans public schools had been upheld by the Supreme Court May 8. The original decision had been made by a special court of 3 U.S. judges in New Orleans Dec. 21, 1960. [See p. 130F1]

The Justice Department's contempt

suit against Louisiana officials for refusing to pay salaries of teachers in New Orleans' 2 integrated schools had been set aside by a U.S. court in New Orleans Mar. 3. The court's action followed testimony by State Education Supt. Shelby Jackson that he "will not interfere" with the desegregated school system. Funds to pay back salaries of the schools' teachers and employes had been released Feb. 27 by the New Orleans city council after their receipt from the state. [See Vol. XX, p. 458C1]

Armed Forces

Manpower Build-Up. Army Secy. Elvis J. Stahr Jr., addressing the annual convention of the Association of the United States Army in Washington Sept. 6, said the current bolstering of U.S. military manpower "will make possible the reinforcement of our forces in Europe." 7th Army and other U.S. units committed to NATO "can be brought to full strength," he said, and the U.S. Army in Europe "can be raised to a fully combat-ready posture by the addition of combat, combat support and key logistical units."

Defense Secy. Robert S. McNamara had announced Aug. 25 that 46,500 Army, 23,600 Air Force and 6,400 Navy reservists were being ordered to active duty because of the Berlin crisis. McNamara said the order "represents the total action necessary." The President was authorized, under a recently enacted resolution, to call up to 250,000 reservists to active duty.

Most of the Army reservists called up were in logistics and other support units. The Air Force units, previously alerted to the call-up, included air transport, tactical fighter and tactical reconnaissance outfits. The Navy reservists were called to man 40 destroyers and 18 anti-submarine warfare aircraft squadrons being added to the active fleet.

148,000 more reservists, including members of 4 Army National Guard divisions, were classified by the Defense Department Sept. 6 as "top priority units." They were ordered to undergo intensified "combat readiness" training. [See p. 296F2-B3]

Railroads

Subsidies Urged. The ICC in a report Aug. 30 proposed a program of direct federal subsidies to the U.S.' railroads "to ameliorate the railroad passenger deficit problem."

The plan, formulated after a review of the "decline and fall" of the New Haven Railroad, was outlined by ICC Chrmn. Everett Hutchinson in testimony Aug. 30 before the Senate Surface Transportation Subcommittee. Following Hutchinson's testimony, disapproval of the ICC plan was expressed by Sens. Warren G. Magnuson (D., Wash.), Interstate Commerce Committee chairman; George A. Smathers (D., Fla.), subcommittee chairman; Frank J. Lausche (D., O.), and Strom Thurmond (D., S.C.). Magnuson said it "would lead to nationalization in time, and that's what we would like to avoid."

The report said that "subsidization of transportation enterprises by the federal government is generally undesirable except to the extent clearly justified by compelling considerations of national defense." 9 of the 11 ICC commissioners had voted for the plan; one, Howard Freas, opposed it on the ground that "some of the states and many of the municipalities directly affected should provide greater assistance before resort is made to federal subsidies"; another, Donald McPherson, did not vote.

The report said the program would cost "at the outset" $52 million, including $31 million for rail passenger service and $21 million for a matching funds program (this figure totaled "all known state and local aid the railroads now receive").

The report said: "A nation that is serious about propelling a man to the moon should be able to solve the mundane problem of moving its citizens dependably and comfortably some 50 miles or less from home to work"; the aid program should not require the U.S. "to establish passenger train schedules or to prescribe standards of service and equipment; the aid "should not dull managerial incentives to cut losses." [See p. 248A2-A3]

New Haven RR Trustees. U.S. Judge Robert P. Anderson in New Haven, Conn. July 26 appointed these 3 trustees to reorganize the bankrupt New York, New Haven & Hartford Railroad: Richard Joyce Smith, 58, of the New York law firm of Whitman, Ransom & Coulson; William Dorigan, 66, retired rail executive who had helped in the New Haven's 1935-47 reorganization; William Johnson Kirk, 54, president of the Boston investment counseling firm of John P. Chase, Inc. The ICC approved the appointments Aug. 1. Anderson had rejected the Justice Department's request that he name ex-Rhode Island Gov. Dennis J. Roberts as a trustee.

The ICC Aug. 3 guaranteed loans totaling $5 million for the New Haven under provisions of the Transportation Act of 1958.

A $14,700,000 request to pay U.S.-guaranteed loans defaulted by the New Haven was part of a $153,400,000 supplemental appropriation request sent to Congress Aug. 8 by Pres. Kennedy. [See p. 248A2-A3]

— LATIN AMERICA —

Brazil

Goulart to Succeed Quadros. The Brazilian congress Sept. 2 approved a constitutional amendment curbing the powers of the presidency and creating a parliamentary form of government. The purpose of the amendment was to quiet objections to Vice Pres. João Goulart's becoming president and thus to end a crisis that had started Aug. 25 with the resignation of Pres. Jânio Quadros. The amendment helped overcome Brazilian military leaders' opposition to Goulart, whom they had accused of Communist sympathies. The congressional action also averted a military clash between pro- and anti-Goulart forces.

Goulart arrived by plane in Brasilia Sept. 5 to take the presidential oath of office. He came from the Rio Grande do Sul state capital of Porto Alegre, a pro-Goulart stronghold, where he had arrived Sept. 1 from Paris after stop-overs in New York Aug. 30 and in Montevideo, Uruguay Aug. 31.

Before Goulart reached Brasilia, the war, navy and air ministers flew there earlier Sept. 5 to quell a group of dissident air force officers who had closed the Brasilia airport Sept. 4 and threatened to shoot down Goulart's plane. [See p. 303D1-G3]

Constitutional Amendment. The constitutional amendment approved Sept. 2 by the Chamber of Deputies (263 to 55) and by the Senate (48 to 6) provided that: (a) A congressionally elected president would appoint a premier with the approval of the Chamber of Deputies; the premier, as president of the Council of Ministers (cabinet), would exercise the executive powers formerly wielded by the president. (b) Presidential vetoes of legislation could be overridden by a ⅔ vote of both houses of congress. (c) All laws signed by the president required countersignatures of the premier and the government agency head involved. (d) The president would have power to dissolve congress after a series of no-confidence votes but was required to call for congressional elections within 90 days of congress' dissolution; the old congress would remain in office pending such elections. (e) The president could be impeached for such crimes as (1) attempting to curb federal or state governments' institutional powers, (2) seeking to limit individual freedoms or (3) endangering internal security. (f) A plebiscite would be held in 1965 to determine whether to continue the new parliamentary form of government or to revert to the previous system of a strong president.

Goulart, who was to serve until Jan. 31, 1966 (the expiration of Quadros' term), had agreed to the constitutional amendment after meeting with a Brazilian delegation in Montevideo.

Sen. Juscelino Kubitschek, ex-president and a Goulart supporter, expressed opposition to the new law Sept. 2. Rio Grande do Sul state Gov. Leonel de Moura Brizola, also a Goulart backer, charged that the change-over to a parliamentary system was voted by congress "under military pressure."

War Min. Odilio Denys, Navy Min. Silvio Heck and Air Min. Gabriel Grum Moss Sept. 3 formally approved the constitutional amendment and Goulart's inauguration as president.

(The 3 military leaders had declared in a manifesto Aug. 30 that they remained opposed to Goulart's return to Brazil "in the present situation." The National Security Council, a group of high military and civilian officials, refused to support their manifesto.)

Military Moves. The solution of the crisis was preceded by a series of government military moves aimed at the pro-Goulart 3d Army com-

manded by Gen. José Machado Lopes in Rio Grande do Sul state. No actual clashes occurred despite a buildup of forces on both sides. A 3d Army communiqué issued by Lopes Aug. 31 disclosed that government naval infantry had landed at the Santa Catarina state ports of Laguna and Florionapolis, about 330 miles north of Porto Alegre, 3d Army headquarters. Lopes defied a War Ministry order that he and his aides present themselves to the ministry within 8 days or be considered deserters.

A navy communiqué Sept. 1 announced that government warships had "taken strategic positions" off Rio Grande do Sul "to support [armed] action" "if necessary."

A Porto Alegre broadcast Sept. 1 asserted that the city would be proclaimed Brazil's new capital if Goulart were blocked from the presidency. The broadcast said the 2d and 4th armies had joined the 3d Army as "the forces of legality" against the military leaders.

The Porto Alegre newspaper O Globo reported Sept. 2 that the 3d Army had stationed artillery at the entrance to the bay leading to the port. 3 barges had been sunk in the bay to block the port to hostile ships.

A navy communiqué Sept. 3 reported that the Florionapolis troops had been withdrawn to avoid clashes with 3d Army troops in adjacent Rio Grande do Sul.

A 3d Army unit approached Laguna Sept. 3 but withdrew in the face of an ultimatum from Adm. Clovis de Oliveira, commander of government forces in the area.

First and 2d Army troops that had been sent to the borders of São Paulo and Parana states were reported Sept. 4 to be moving southward in the direction of 3d Army forces.

British Guiana

Jagan Becomes Premier. Dr. Cheddi B. Jagan, whose Progressive People's party won British Guiana's first general elections Aug. 21, was sworn in as premier Sept. 5. Jagan also became planning and development minister.

The Sept. 5 cabinet: Premier and Planning & Development—Jagan; Natural Resources—Bradley Benn; Works & Hydraulics—Ram Karran; Home Affairs—Balram Singh; Labor, Health & Housing—Ranji Chandisingh; Trade & Industry—Henry Jocelyn Hubbard; Finance—Charles Jacob; Education & Social Development—Cedric Vernon Nunes; Attorney General—Fenton Ramsahoye; Communications—E. M. G. Wilson. [See p. 307C3]

Chile

World Bank Loan. Chile received a $25 million road-improvement loan July 10 from the World Bank and its affiliated International Development Association. The IDA's $19 million credit was to finance secondary road improvement in southern Chile. The bank's share—$6 million for road-maintenance equipment—was to be repaid in 9 years at 5¾% interest. [See p. 179A3]

Cuba

Exile Government Planned. Ex-Cuban Pres. Carlos Prío Socarras, 58, announced in Miami Sept. 2 that a meeting would be held in Miami in September to form a Cuban government-in-exile "to carry war against Fidel Castro."

Prío had returned recently from a tour of Latin American countries, where he conferred with other Cuban exiles. He said the proposed government's headquarters would be located in a country that did not have diplomatic relations with Cuba. He said he would work with U.S. Rep. Victor L. Anfuso (D., N.Y.) in organizing the anti-Castro group.

(Prío had been overthrown as Cuban president on Mar. 10, 1952 in a coup led by Fulgencio Batista.) [See p. 259F1]

U.S. Negroes Wooed. The U.S. Senate Internal Security Subcommittee made public Aug. 27 a report asserting that a Cuban campaign to "subvert the American Negro against his own government" had failed.

The report, entitled "Cuba and the American Negro," was issued by the subcommittee chairman, Sen. James O. Eastland (D., Miss.). It charged the Castro régime with trying to exploit U.S. racial problems in order to "popularize Cuba among Negroes." The report said the Fair Play for Cuba Committee and the U.S. Communist Party had cooperated with the Cuban government "in embroiling American Negroes in their [the Cuban government's] nefarious designs."

The subcommittee made public ex-heavyweight boxing champion Joe Louis' testimony, given in June, that the Cuban government still owed his public relations firm $150,000. The firm had cancelled its contract with Cuba in Dec. 1959 after it had placed several Cuban government ads in U.S. Negro publications to urge Negroes to spend their vacations in Cuba, where, the ads said, they would "receive first-class treatment as first-class citizens."

Exiles Returning. The N.Y. Times reported Sept. 1 that hundreds of Cuban exiles in the U.S. had been returning to Cuba. An official of the Spanish Line's ship Covadonga, which left Jersey City, N.J. Sept. 1 for Havana and Mexico, said that of the ship's 300 passengers, 200-250 were Cubans who had given up U.S. residence. Havana radio had reported that on a previous voyage from New York in June, the Covadonga had brought 163 Cubans back to Cuba.

A U.S. Immigration & Naturalization Service official disclosed Aug. 31 that since May 1 586 Cubans in the New York area had told the service that they wanted to give up their residents' visas and return to their homeland. [See p. 57E3]

Ship Seized. 39 Cuban passengers, some armed with guns, forced the captain of a 52-foot Cuban motor vessel to reverse course Aug. 29 and bring the boat into Port Antonio, Jamaica. The passengers were placed under protective custody after asking for political asylum. [See p. 299G1]

Mexican Aide Slain. Jesus Flores Aguirre, 54, poet and counselor of Mexico's Havana embassy, was shot in his car Aug. 24 in the Havana suburb of Marianao. He died later in a hospital. Mexican authorities, in demanding a "full investigation and report," asked whether there was a link between Aguirre's slaying (reportedly by 2 men) and the Aug. 9 hijacking of an airliner from Mexico City to Havana. Flores had been at the Havana airport when the plane landed. [See p. 281B2]

Plotters Sentenced. All but 7 of 74 defendants who had gone on trial in Santiago de Cuba Aug. 21 on charges of participating in "activities against the powers of the state" were sentenced Aug. 24 to prison terms ranging up to 20 years. Those sentenced to 20 years were: student leader Alberto Muller, 23, nephew of Bishop Alfredo Muller; Enrique Gustavo Casuo Perez, alleged leader of anti-Castro rebels in Oriente Province; the Rev. José Luis Rojo Seijas and the Rev. Reinerio Lebroc Martinez, Roman Catholic priests. The remaining defendants received prison terms of from one to 10 years. [See p. 292A-B1]

Envoys' Funds Restored. It was reported Aug. 27 that the Cuban government had agreed to make good immediately all money submitted by foreign diplomats and embassies in Havana during the Aug. 6-7 peso exchange. In a joint note to Foreign Min. Raúl Roa Aug. 21, representatives of 26 non-Communist nations had protested the government scheme to return to each embassy 10,000 pesos immediately (plus 5,000 pesos to each diplomat) and to restore remaining funds at a rate of 100 pesos a month. Many embassies, particularly those whose food costs were high because they had given asylum to anti-Castro refugees, had complained that the payment was insufficient. [See p. 298F3]

Dominican Republic

Trujillo Fears Revolt. Gen. Rafael Leonidas Trujillo Jr., 32, head of the Dominican armed forces, said in an interview printed in the N.Y. Times Aug. 17 that there "could be a revolution" in the DR if other American nations did not resume diplomatic relations with his régime before the country's next elections May 16, 1962. Trujillo said that such a revolt, which could be started by the political opposition or by armed forces members, would create "a problem worse than in Cuba." [See p. 259A2]

Oppositionists Killed. National Civic Union member Erasmo Bermudez Espaillat was shot to death in Santiago Aug. 20 when armed forces members fired into a funeral home crowd that had come to view the body of another slain Civic Union member, Fausto Jemenez. Jemenez reportedly had been killed outside Santiago by a mob that had thrown rocks at a bus returning from a Civic Union rally.

Most Santiago businesses remained closed Aug. 21 in protest against the 2 slayings.

At least 2 persons were injured by club-swinging policemen in Ciudad Trujillo Aug. 24 following a memorial mass for 6 slain Civic Union members. The fighting began when mass participants hissed at a passing police car.

The Ciudad Trujillo violence coincided with the arrival of an OAS inquiry group investigating DR pledges to restore democracy and hold elections. [See p. 299E2]

— MISCELLANEOUS —

World Population Up. The UN's Statistical Office reported in its Demographic Yearbook, issued Aug. 13, that an average of 85 babies were born throughout the world each minute. The high birth rate, combined with a reduction in the death rate, resulted in a world population increase yearly of 1.7% or 46 to 55 million. World population was approximately 3 billion, the book said. Tokyo and N.Y. City, with Apr. 1960 populations of 8,161,000 and 7,781,984, respectively, were reported to be the world's largest cities. [See Vol. XVII, p. 170A1]

78 Die in Illinois Crash. A TWA Constellation crashed into a field in Hinsdale, Ill. Sept. 1, and all 78 persons aboard were killed. It was the 4th worst air disaster in U.S. air history but U.S. commercial aviation's worst single plane crash. The plane, en route from Boston and New York to Los Angeles and San Francisco, crashed 4 minutes after taking off from Chicago's Midway Airport.

Other Air Crashes. A Czech Ilyushin-18 airliner en route from Prague and Zurich to Morocco crashed during an attempted landing at the Camp Cazes Airport near Casablanca July 12. All 72 persons aboard were killed.

An Argentine Airlines DC-6 en route from Buenos Aires to Comodoro Rivadavia crashed and burned at Azul July 19. All 67 persons aboard were killed.

A British Viking airliner en route from London to Stavanger, Norway crashed in the North Sea off Sola, Norway Aug. 9. All 39 persons aboard, including 34 English schoolboys, were killed.

18 persons were killed and 55 injured when a United Air Lines DC-8 en route from Philadelphia to Los Angeles careened off a runway into a repair truck and burst into flames while landing in Denver July 11. 103 persons aboard the plane survived. A repairman in the truck was among those killed. [See p. 260B3]

Tower Officer Cleared. A U.S. Army court-martial at Stewart AF Base (Newburgh, N.Y.) Aug. 24 acquitted Col. William M. Banks, 46, of charges of negligence in the deaths of 28 airmen and civilian workers resulting from the collapse of a "Texas tower" radar station off the New Jersey coast Jan. 15. Banks, as commander of the Boston Air Defense Sector in charge of the tower, had been accused of failing to keep himself advised of a storm that had been beating at the structure. [See p. 257D1]

'Payola' Charges Dismissed. The FTC June 20 dismissed "payola" charges against these 5 record distributors because "the protection of the public interest is now fully assured" by a new Federal Communications Act amendment making "payola" to radio and TV disk jockeys illegal: Columbia Record Distributors, Inc. and Columbia Records Sales Corp. of New York; Interstate Electric Co. of New Orleans; Capitol Records Distributing Corp. and Dot Records, Inc., of Hollywood.

The FTC Aug. 31 also dismissed "payola" charges against Roulette Records, Bigtop Records, Bigtop Record Distributors and Decca Distributing, all of New York; Mutual Distributors of Boston. [See p. 267B1]

— SPORTS —

Boxing. Harold Johnson of Philadelphia retained the NBA light-heavyweight championship by scoring a 15-round decision over Eddie Cotton of Seattle in Seattle Aug. 30. [See p. 60F1]

Gene Fullmer, 30, of West Jordan, Utah retained the NBA middleweight championship by scoring a 15-round decision over Florentino Fernandez, 25, of Cuba in Ogden, Utah Aug. 5. Fullmer fractured his right elbow in the 14th round. [See p. 96G3]

Golf. Jerry Barber, 45, of Los Angeles defeated Don January, 31, of Dallas, Tex. in a playoff to win the Professional Golfers Association championship in Chicago July 30, for $11,000. January won $5,500. [See Vol. XX, p. 268B2]

Gene Littler, 30, won the U.S. Open championship in Birmingham, Mich. June 17. [See Vol. XX, p. 216E3]

Arnold Palmer of Latrobe, Pa. won the British Open golf tournament in Birkdale, England July 15. Dai Rees of Britain was 2d. Christy O'Connor of Ireland and Neil Coles of England tied for 3d. [See Vol. XX, p. 240E2]

Jack Burke Jr., 38, of Kiamesha Lake, N.Y. won the $52,000 Buick open tourney in Grand Blanc, Mich. July 3, for $9,000. [See Vol. XIX, p. 348C1]

Horse Racing. Ada L. Rice's Chief of Chiefs, Eddie Arcaro up, won the $120,400 Washington Park Handicap in Chicago Sept. 4, for $72,900. [See Vol. XX, p. 308D1]

Track & Field. World records set at a U.S.-Soviet track meet in Moscow: July 15—400-meter relay in 39.1 sec. by U.S. team of Hayes Jones, Frank Budd, Charles Frazier and Paul Drayton; women's 400-meter relay in 44.3 sec. by U.S. team of Wilma Rudolph, Willie White, Ernestine Pollards and Vivian Brown; women's discus throw of 188 ft. 4 in. by Tamara Press of the USSR. July 16—high jump of 7 ft. 4 in. by Valeri Brumel, 19, of the USSR; broadjump of 27 ft. 1¾ in. by Ralph Boston of the U.S.; women's broadjump of 21 ft. 3 in. by Tatyana Schelkanova of the USSR. The U.S. won the men's team title, 124 points to 111; the USSR won the women's team title 68 points to 39. [See pp. 260E2, 32F2; Vol. XVI, p. 415E3]

A New Zealand team of Murray Halberg, Barry Magee, Gary Philipott and Peter Snell ran the 4-mile relay in the world record time of 16 min. 23.8 sec. at a meet in Dublin, Ireland July 17.

Business & Financial Summary

Week Ended Sept. 3

FINANCE:

	This Week	Last Week	Year Ago
U.S. Treasury—			
Monetary gold stocks	*$17,579	*$17,602	*$19,005
Currency circulation	*$32,474	*$32,594	*$31,980
Banks—			
Com'l & ind'l loans§	*a$31,498	*$31,592	*$31,107
Agricultural loans§	*a$1,116	*$1,101	*$1,035
N.Y. bank clearings	$13,370,073,598	$13,716,338,660	$13,050,081,077
England note circulation	*£2,327.963	*£2,341.756	.....
N.Y. Stock Exchange—			
Stock sales (shares)	15,163,690	17,221,714	14,952,240
Stock avgs. (100 shares)**	259.24	257.72	226.32
Bond sales (par value)	$27,491,000	$25,631,000	$20,016,000
Bond avgs. (30 bonds)**	85.32	85.38	87.09
INDUSTRY:			
Auto output (cars & trucks)†	111,797	82,388	64,578
Crude oil (bbl. daily)	b7,053,810	7,073,060	6,842,460
Soft-coal output (tons)	c8,200,000	8,220,000	8,104,000
Electric output (kwh.)	*b15,491	*15,665	*15,018
Carloadings (cars)	b592,265	595,154	594,964
PRICES:			
Wheat (bu.)	$2.44¼	$2.44	$2.35⅝
Corn (bu.)	$1.37⅝	$1.41⅛	$1.43½
Cotton (lb.)	$.3525	$.3515	$.3245
Steel scrap avg. (ton)e	$38.50	$37.83	$32.50
Wholesale food index‡	d$5.99	$5.98	$5.90
Weekly whlsl. index (BLS)¶	d118.8	118.9	119.3
BUSINESS:			
Dept. stores sales§¶	b152	142	144
Failures (Aug. 24)‡	352	366	315

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet ¶1947-49=100 §Federal Reserve Board aMember banks, 107 cities bAug. 26 cAug. 19 dAug. 29 eIron Age

Price Peak. The consumer price (cost-of-living) index rose in July to a record 128.1% of the 1947-49 average, the Bureau of Labor Statistics reported Aug. 25. The increase was largely due to an upsurge in food prices, which rose to a record 122% of the 1947-49 average.

BLS consumer and wholesale price indexes for May-July 1961 and July 1960 (1947-49=100):

	July	June	May	July '60
Consumer index (all items)	128.1	127.6	127.4	126.6
Food	122.0	120.9	120.7	120.6
Apparel	109.9	109.6	109.6	109.1
Housing	132.4	132.4	132.2	131.3
Rent	143.6	143.5	143.4	141.8
Medical care	161.2	160.9	160.4	156.4
Transportation	148.3	147.7	146.6	145.9
Private	135.9	135.3	134.2	134.2
Public	208.5	207.3	206.5	198.9
Wholesale index (all items)	118.6	118.2	118.7	119.7
Farm products	86.6	85.1	86.6	88.9
Fruits & vegetables	100.4	103.3	101.4	112.9
Grains	77.8	74.2	74.8	75.5
Livestock & live poultry	75.5	75.4	78.2	84.1
Processed foods	107.5	106.7	107.5	108.9
Chemicals & allied products	108.9	109.3	109.9	110.4
Fuel & related products, and power	114.6	114.3	113.6	113.8
Lumber & wood products	117.3	117.8	117.6	121.5
Machinery & motive products	153.2	153.2	153.1	153.3
Metals & metal products	153.1	153.1	153.0	153.4
Pulp, paper & allied products	126.4	126.5	126.1	133.5
Rubber & products	139.1	139.6	140.2	146.9
Textile products & apparel	93.8	93.7	94.0	96.3
Purchasing power of dollar as measured by—				
Consumer prices	78.1	78.4	78.5	79.0
Wholesale prices	84.3	84.6	84.2	83.5